

**VOICES FOR INTERNATIONAL BUSINESS  
AND EDUCATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014 AND 2013**

# VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

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**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Voices for International Business and Education  
New Orleans, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of Voices for International Business and Education (a nonprofit School), which comprises the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voices for International Business and Education as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of Voices for International Business and Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Voices for International Business and Education's internal control over financial reporting and compliance.

*Bernard & Frankes*

November 18, 2014

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013**

<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 570,035	\$ 174,943
Receivables		
Grants	132,349	63,769
Other	-	3,500
Prepaid insurance	11,658	13,597
Total current assets	<u>\$ 714,042</u>	<u>\$ 255,809</u>
<b>PROPERTY AND EQUIPMENT</b>	\$ 1,093,300	\$ 885,381
Less accumulated depreciation	(276,053)	(171,620)
Total property and equipment	<u>\$ 817,247</u>	<u>\$ 713,761</u>
Total assets	<u><u>\$ 1,531,289</u></u>	<u><u>\$ 969,570</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 40,867	\$ -
Accrued salaries and related expenses	117,293	140,518
Total current liabilities	<u>\$ 158,160</u>	<u>\$ 140,518</u>
<b>NET ASSETS</b>		
Unrestricted	\$ 1,373,129	\$ 829,052
Total net assets	<u>\$ 1,373,129</u>	<u>\$ 829,052</u>
Total liabilities and net assets	<u><u>\$ 1,531,289</u></u>	<u><u>\$ 969,570</u></u>

See Notes to Financial Statements.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Grants:			
State	\$ 4,673,287	\$ -	\$ 4,673,287
Federal	390,091	-	390,091
Contributions	29,304	-	29,304
In kind contribution	46,133	-	46,133
Interest	1,506	-	1,506
Other	159,271	-	159,271
	<u>\$ 5,299,592</u>	<u>\$ -</u>	<u>\$ 5,299,592</u>
Net assets released from restrictions:			
Restrictions satisfied by use	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues, gains and other support	<u>\$ 5,299,592</u>	<u>\$ -</u>	<u>\$ 5,299,592</u>
 <b>EXPENSES</b>			
Program services	\$ 3,811,519	\$ -	\$ 3,811,519
Supporting services			
General and administrative	940,753	-	940,753
Fund raising	3,243	-	3,243
	<u>4,755,515</u>	<u>-</u>	<u>4,755,515</u>
 Total expenses	<u>\$ 4,755,515</u>	<u>\$ -</u>	<u>\$ 4,755,515</u>
 Increase in net assets	\$ 544,077	\$ -	\$ 544,077
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>829,052</u>	<u>-</u>	<u>829,052</u>
 <b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,373,129</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,373,129</u></u>

See Notes to Financial Statements.

# VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Grants:			
State	\$ 3,634,517	\$ -	\$ 3,634,517
Federal	338,274	-	338,274
Contributions	111,233	-	111,233
Interest	-	-	-
Other	332,112	-	332,112
	<u>\$ 4,416,136</u>	<u>\$ -</u>	<u>\$ 4,416,136</u>
Net assets released from restrictions:			
Restrictions satisfied by use	46,261	(46,261)	-
	<u>46,261</u>	<u>(46,261)</u>	<u>-</u>
Total revenues, gains and other support	<u>\$ 4,462,397</u>	<u>\$ (46,261)</u>	<u>\$ 4,416,136</u>
<b>EXPENSES</b>			
Program services	\$ 3,552,431	\$ -	\$ 3,552,431
Supporting services			
General and administrative	785,253	-	785,253
Fund raising	28,288	-	28,288
	<u>28,288</u>	<u>-</u>	<u>28,288</u>
Total expenses	<u>\$ 4,365,972</u>	<u>\$ -</u>	<u>\$ 4,365,972</u>
Increase in net assets	\$ 96,425	\$ (46,261)	\$ 50,164
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>732,627</u>	<u>46,261</u>	<u>778,888</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 829,052</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 829,052</u></u>

See Notes to Financial Statements.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Program Service</b>			
	<b>Education Program</b>	<b>General and Administrative</b>	<b>Fund-raising</b>	<b>Total</b>
Salaries and related expenses				
Salaries	\$ 1,992,561	\$ 279,430	\$ -	\$ 2,271,991
Employee benefits	383,151	101,850	-	485,001
Payroll taxes	165,058	23,147	-	188,205
Total salaries and related expenses	<u>\$ 2,540,770</u>	<u>\$ 404,427</u>	<u>\$ -</u>	<u>\$ 2,945,197</u>
Accounting	\$ -	\$ 10,350	\$ -	\$ 10,350
Advertising	-	3,441	-	3,441
Custodial services	53,800	4,049	-	57,849
Depreciation	-	104,433	-	104,433
Dues and fees	11,388	18,414	-	29,802
Equipment	389	12,690	-	13,079
Equipment rental and lease	16,906	5,635	-	22,541
Food service management	132,844	-	-	132,844
Head of school search	-	38,243	-	38,243
Hiring	-	4,628	-	4,628
Insurance	57,215	45,264	-	102,479
Interest	-	4,893	-	4,893
Information technology	10,134	10,134	-	20,268
Legal	-	91,924	-	91,924
Miscellaneous	1,770	200	-	1,970
Occupancy	3,993	301	-	4,294
Professional services				
Foreign language support	8,619	-	-	8,619
Property project manager	30,319	2,282	-	32,601
Substitute services	49,621	15,124	-	64,745
Special ed services	37,240	-	-	37,240
Other	47,975	68,687	-	116,662
Postage	5,624	3,073	-	8,697
Printing and binding	68	37	-	105
Professional development	6,000	-	-	6,000
Repairs and maintenance				
Building	133,578	10,054	-	143,632
Student support	80,612	-	-	80,612
Student transportation	274,330	-	-	274,330
Supplies				
Books	75,784	-	-	75,784
Other	35,043	26,388	3,243	64,674
Telephone and internet	52,996	52,759	-	105,755
Travel	79,504	-	-	79,504
Utilities	44,143	3,323	-	47,466
Web based services	20,854	-	-	20,854
Total expenses	<u>\$ 3,811,519</u>	<u>\$ 940,753</u>	<u>\$ 3,243</u>	<u>\$ 4,755,515</u>

See Notes to Financial Statements.



VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013

	Program Service			
	Education Program	General and Administrative	Fund-raising	Total
Salaries and related expenses				
Salaries	\$ 1,856,708	\$ 318,395	\$ -	\$ 2,175,103
Employee benefits	300,062	79,763	-	379,825
Payroll taxes	153,804	26,375	-	180,179
Total salaries and related expenses	<u>\$ 2,310,574</u>	<u>\$ 424,533</u>	<u>\$ -</u>	<u>\$ 2,735,107</u>
Accounting	\$ -	\$ 12,231	\$ -	\$ 12,231
Advertising	-	3,973	-	3,973
Custodial services	38,129	2,873	-	41,002
Depreciation	-	87,644	-	87,644
Dues and fees	10,888	51,931	-	62,819
Equipment	6,892	15,837	-	22,729
Equipment rental and lease	9,816	3,272	-	13,088
Food service management	129,156	-	-	129,156
Hiring	-	3,230	-	3,230
Insurance	55,084	7,892	-	62,976
Interest	-	7,902	-	7,902
Information technology	10,437	10,437	-	20,874
Miscellaneous	730	381	-	1,111
Occupancy	6,699	505	-	7,204
Professional services				
Foreign language support	3,756	-	-	3,756
Legal	-	18,611	-	18,611
Property project manager	43,161	3,249	-	46,410
Special ed services	24,403	-	-	24,403
Substitute services	24,538	17,293	-	41,831
Other	72,294	30,911	6,385	109,590
Postage and shipping	6,164	1,959	-	8,123
Printing and binding	2,972	4,251	-	7,223
Professional development	11,695	-	-	11,695
Recruitment	412	2,420	-	2,832
Repairs and maintenance				
Building	211,511	15,920	-	227,431
Other	-	2,300	-	2,300
Student support	115,924	-	-	115,924
Student transportation	239,444	-	-	239,444
Supplies				
Books	40,953	89	-	41,042
Other	45,906	47,042	21,903	114,851
Telephone and internet	4,355	4,866	-	9,221
Travel and conferences	50,450	84	-	50,534
Utilities	39,994	3,010	-	43,004
Web based services	36,094	607	-	36,701
Total expenses	<u>\$ 3,552,431</u>	<u>\$ 785,253</u>	<u>\$ 28,288</u>	<u>\$ 4,365,972</u>

See Notes to Financial Statements.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 544,077	\$ 50,164
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	104,433	87,644
(Increase) decrease in operating assets:		
Accounts receivable:		
Grants	(68,580)	(12,654)
Other	3,500	-
Prepaid expenses	1,939	(8,505)
Increase (decrease) in operating liabilities:		
Accounts payable	40,867	(64,923)
Payroll liabilities	-	(2,758)
Accrued salaries and related expenses	(23,225)	68,077
Net cash provided by operating activities	\$ 603,011	\$ 117,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property and equipment	\$ (207,919)	\$ (139,362)
Change in cash restricted for long-term purposes	-	46,261
Net cash provided by investing activities	\$ (207,919)	\$ (93,101)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	\$ 350,000	\$ -
Payments on line of credit	(350,000)	-
Net cash provided by financing activities	\$ -	\$ -
 Net increase in cash and cash equivalents	 \$ 395,092	 \$ 23,944
Beginning cash and cash equivalents	\$ 174,943	\$ 150,999
Ending cash and cash equivalents	\$ 570,035	\$ 174,943
<u>Supplemental Cash Flow Information:</u>		
Cash paid for interest during the period	\$ 4,893	\$ 7,902

See Notes to Financial Statements.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Voices for International Business and Education, d.b.a. The International High School of New Orleans was incorporated on August 7, 2009. It is Louisiana's only open enrollment public high school to offer French and Spanish immersion programs and a full college preparatory curriculum. The School's mission is to foster a diverse community of learners through rigorous academic programs that promote an understanding of business, multi-cultural awareness, and foreign language fluency, while preparing our students to succeed in a global economy. The School is primarily supported by governmental and private grants.

The Louisiana Board of Elementary and Secondary Education (BESE) approved the granting of a charter to the School effective July 1, 2010 for a period ending on June 30, 2013, to operate a Type 2 Charter School, as defined in LA- R.S.17:3992 and 3998. The School successfully completed the Third- Year Evaluation conducted by SBESE and expects the charter contract to be extended for 5-10 years.

**Basis of Accounting**

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash, which is held in interest bearing accounts, consists of unrestricted and temporarily restricted balances. Unrestricted cash balances represent cash available for general operating purposes. For the purpose of statements of cash flows, the School considers all highly unrestricted liquid investments available for current use with a maturity of three months or less to be cash equivalents.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents (continued)**

The School maintains its cash balance in a financial institution located in New Orleans, Louisiana. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2014 and 2013, \$318,322 and \$0 were the amounts uninsured, respectively.

**Receivables**

Management believes that all receivables are collectible. The receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All promises to give are recognized as assets and revenues. There were no promises to give at June 30, 2014 and 2013.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets. State funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

**Contributions**

In accordance with Accounting Standards, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The School received contributions, with donor-imposed restrictions that resulted in temporarily restricted net assets for the years ended June 30, 2012. All restrictions were met for the year ended June 30, 2013.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

**Contributions (continued)**

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when earned under the terms of the grants.

**In-Kind Support**

The School records the in-kind value of goods and services contributed to support various activities as support and related expenses.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not- For- Profit Entities. The School has classified its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. At June 30, 2014 and 2013, the School did not have any permanently restricted net assets.

Accordingly, net assets and changes therein are classified and reported as follows:

**Unrestricted Net Assets** - Support, revenues, and expenses for the general operation of the School.

**Temporarily Restricted Net Assets** - Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific accounting period.

**Permanently Restricted Net Assets** - Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by the School. Generally, the donors of these assets permit the School to use all or part of the income derived from the investment of these contributions.

**Income Taxes**

The School is a non-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (continued)**

The School is required to file Federal Form 990, Return of Organization Exempt from Income Tax. The School believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that require adjustment to the financial statements. The School's Federal Exempt Information Returns (form 990) for 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

**Expense Allocation**

Functional expenses are allocated into two categories. These include program services and general and administrative services and are based upon actual use or management's best estimate.

**Advertising**

The School expenses all advertising costs as incurred that are not direct-response. For the years ended June 30, 2014 and 2013, the School incurred and expensed advertising costs of \$3,441 and \$3,973, respectively.

**NOTE 2. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Leasehold improvements	\$1,006,560	\$ 794,232
Furniture and equipment	<u>86,740</u>	<u>91,149</u>
	1,093,300	885,381
Less accumulated depreciation	<u>(276,053)</u>	<u>(171,620)</u>
	<u><u>\$ 817,247</u></u>	<u><u>\$ 713,761</u></u>

Depreciation expense was \$104,433 and \$87,644 for the years ended June 30, 2014 and 2013, respectively.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 3. LINE OF CREDIT**

The School had a \$250,000 line of credit which matures on September 18, 2014. The amount borrowed under this agreement bears an interest rate based upon an independent index of 3.25% plus 2% over the index. The purpose of the loan is to provide short term working capital for the school. The line is secured by all grant proceeds from the Louisiana Department of Education. Interest expense for the year ended June 30, 2014 and 2013 was \$4,893 and \$7,902 respectively.

There were no outstanding balances for the line of credit or promissory note at June 30, 2014 and 2013. \$250,000 is available for future use at June 30, 2014 and 2013.

**NOTE 4. GRANTS**

The Minimum Foundation Program formula adopted by the State Board of Elementary and Secondary Education (BESE) and approved by the State Legislature determines the cost of a minimum foundation program of education in all public elementary and secondary schools and helps to allocate the funds equitably to parish, city and other local school systems. Funding through the Minimum Foundation Program is essentially in the form of a block grant from the State to the local school systems. Revenues received by the State are from sales tax revenues, ad valorem taxes, and other sources which are allocated to each school based on its enrollment and other student characteristics. The School averaged 443 and 344 students enrolled for the school years ended June 30, 2014 and 2013, respectively. The School recognized revenue under this grant of \$4,673,287 and \$4,673,287, which is 88% and 82% of total revenue for the years ended June 30, 2014 and 2013, respectively.

**NOTE 5. SCHOOL OPERATIONS/LEASEHOLD INTEREST**

The School has a lease with the Recovery School District to use the facilities and its contents located at 727 Carondelet Street, New Orleans, Louisiana for a three year period beginning July 1, 2010 through July 31, 2012. The lease agreement may be extended for an additional two years terminating on June 30, 2015 in the event BESE extends the charter contract for an additional two years upon completion of the School's third-year evaluation. The School is currently undergoing review and renewal of the lease is contingent upon their approval.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 5. SCHOOL OPERATIONS/LEASEHOLD INTEREST (CONTINUED)**

Use of the property is not recorded as an in-kind contribution from the Recovery School District and related rent expense. The value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

**NOTE 6. SUBSEQUENT EVENTS**

The School has evaluated subsequent events through November 18, 2014, the date which the financial statements were available to be issued.

**NOTE 7. CONTINGENCIES**

The School is a defendant in a litigation involving the physical injury of a student. The lawsuit is being handled by counsel hired by the School's insurance carriers. It is likely the loss, if any, would be covered by the School's insurance carriers.



## **OTHER AUDITOR'S REPORTS**



**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

NICHOLAS W. LAFRANZ III, C.P.A.

JAMES L. WHITE, C.P.A.

To the Board of Directors  
Voices for International Business and Education  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Voices for International Business and Education (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Voices for International Business and Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Voices for International Business and Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Voices for International Business and Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bernard & Franks*

Metairie, Louisiana  
November 18, 2014

**REPORTS BY MANAGEMENT**

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014**

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting

- Material Weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(ies) identified that  
are not considered to be material weakness \_\_\_\_\_ Yes X None reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes X No

Federal Awards

Voices for International Business and Education did not receive federal awards in excess of \$500,000 during the year ended June 30, 2014 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Section II – Internal Control Over Financial Reporting and Compliance and Other Matters  
Material to the Basic Financial Statements**

**Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended June 30, 2014 related to internal control over financial reporting.

**Compliance and Other Matters**

There were no findings of internal control and compliance during the audit regarding federal awards for the year ended June 30, 2014.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**JUNE 30, 2014**

**Section I – Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

**Internal Control Over Financial Reporting**

There were no findings regarding internal controls over financial reporting reported during the audit for the financial statements for the year June 30, 2013.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the financial statements for the year June 30, 2013.

**Section II - Internal Control and Compliance Material to Federal Awards**

The School did not receive federal awards in excess of \$500,000 for the year ended June 30, 2013 and therefore this is not applicable.

**Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2013.

**VOICES FOR INTERNATIONAL BUSINESS AND EDUCATION  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
JUNE 30, 2013**

**Section I - Internal Control over Financial Reporting and Compliance and Other Matters  
Material to the Basic Financial Statements**

**Internal Control over Financial Reporting**

No material weaknesses were reported during the audit of the financial statements for the year ended June 30, 2014.

No significant deficiencies were reported during the audit of the financial statements for the year ended June 30, 2014.

**Compliance and Other Matters**

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2014.

**Section II - Internal Control and Compliance Material to Federal Awards**

The School did not receive federal awards in excess of \$500,000 for the year ended June 30, 2014 and therefore this is not applicable.

**Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2014.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED  
UPON PROCEDURES**





**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

NICHOLAS F. CHETTA, C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED UPON PROCEDURES**

JAMES L. WHITE, C.P.A.

To the Board of Directors  
Voices for International Business and Education  
New Orleans, Louisiana

We have performed procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by management of Voices for International Business and Education and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Voices for International Business and Education and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
(Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Findings: None

#### Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per the schedule and to the school board supporting payroll records as of October 1<sup>st</sup>.

Findings: None

3. We reconciled the combined total number of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per the schedule.

Findings: None

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced a population of 25 teachers to the individual’s personnel file to determine if the individual’s education level was properly classified on the schedule.

Findings: None

#### Number and type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None

#### Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals and assistant principals by classification as of October 1<sup>st</sup> and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

Findings: None

Public Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a population of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: None

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

Findings: None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Voices for International Business and Education.

This schedule was not applicable to Voices for International Business and Education as they have not yet been required to administer this test.

The Graduation Exit Exam (Schedule 8)

11. Information is not applicable for 2013, and is shown for historical purposes.

Findings: None

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to the scores reported in the schedule by Voices for International Business and Education.

This schedule was not applicable to Voices for International Business and Education as they have not yet been required to administer this test.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Voices for International Business and Education, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "Bernard & Franks". The signature is written in a cursive, flowing style.

Metairie, Louisiana  
November 18, 2014

**SCHEDULES REQUIRED BY THE STATE OF LOUISIANA**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 1- General Fund Instructional and Support**  
**Expenditures and Certain Local Revenue Sources**  
**June 30, 2014**

**General Fund Instructional and Equipment Expenditures:**

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 1,453,068	
Instructional Staff Employee Benefits	312,691	
Other Instructional Staff Salaries	7,667	
Special Education Programs	172,280	
Career and Tech Ed Programs	41,688	
Purchased Professional and Technical Services	108,358	
Instructional Materials and Supplies	168,692	
Instructional Equipment	22,541	
Total Teacher and Student Interaction Activities	<u>2,286,985</u>	\$ 2,286,985

Other Instructional Activities

Pupil Support Activities	\$ 510,825	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		\$ 510,825

Instructional Staff Services	\$ 54,248	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		\$ 54,248

School Administration	\$ 477,755	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>\$ 477,755</u>

<b>Total General Fund Instructional Expenditures</b>	<u><u>\$ 3,329,813</u></u>
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<b>Total General Fund Equipment Expenditures</b>	<u><u>\$ -</u></u>
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**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 2- Education Levels of Public School Staff**  
**June 30, 2014**

Category	Full -time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	18	55%	-	-	-	-	-	-
Master's Degree	9	27%	-	-	-	-	-	-
Master's Degree + 30	-	-	-	-	2	100%	-	-
Specialist in Education	6	18%	-	-	-	-	-	-
Ph.D or Ed.D	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total</b>	<u>33</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>100%</u>	<u>-</u>	<u>-</u>

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 3- Number and Type of Public Schools**  
**June 30, 2014**

<b>Type</b>	<b>Number</b>
Elementary	
Middle/Jr. High	
Secondary	1
Combination	
<b>Total</b>	1



**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 4- Experience of Public Principals and Full- Time Classroom Teachers**  
**June 30, 2014**

	0-1 Year	2-3 Years	4-10 Years	11-14 Years	15-19 Years	20-24 Years	25+ Years	<b>Total</b>
Principals	-	-	-	-	-	-	1	1
Assistant Principals	-	-	-	-	-	1	-	1
Classroom Teachers	10	6	13	6	2	1	1	39
<b>Total</b>	10	6	13	6	2	2	2	41

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 5- Public School Staff Data**  
**June 30, 2014**

	<b>All Classroom Teachers</b>		<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>	
Average Classroom Teacher's Salary Including Extra Compensation	\$	50,142	\$	50,142
Average Classroom Teacher's Salary Excluding Extra Compensation	\$	45,960	\$	45,960
Number of Teachers Full-time Equivalents(FTEs) used in Computation of Average Salaries		33		33

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 6- Class Size Range**  
**June 30, 2014**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	-	-	-	-	-	-	-	-
Elementary Activity Classes	-	-	-	-	-	-	-	-
Middle/Jr. High	-	-	-	-	-	-	-	-
Middle/Jr. High Activity Classes	-	-	-	-	-	-	-	-
High	82%	96	9%	10	9%	10	-	-
High Activity Classes	-	-	-	-	-	-	-	-
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

Note: The Board of Elementary and Secondary Education (BESE) has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades 4-12 is 33 students.

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 7- Louisiana Educational Assessment Program (LEAP)**  
**June 30, 2014**

This test does not apply to Voices of International Business and Education.

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 8- The Graduate Exit Exam**  
**June 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grades 10 and 11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Advanced												
Mastery												
Basic												
Approaching Basic												
Unsatisfactory												
<b>Total</b>												

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grades 10 and 11	N/A	N/A	N/A	N/A			N/A	N/A	N/A	N/A		
Advanced					1	1%					2	2%
Mastery					16	14%					11	10%
Basic					29	25%					46	40%
Approaching Basic					34	30%					23	20%
Unsatisfactory					34	30%					32	28%
<b>Total</b>					114	100%					114	100%

**VOICES OF INTERNATIONAL BUSINESS AND EDUCATION**  
**Schedule 9- IOWA Tests and iLEAP Tests**  
**June 30, 2014**

This test does not apply to Voices of International Business and Education.